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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 10/01/2019 AND ENDING 09/30/2020  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Spearhead Capital LLC**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**12012 South Shore Blvd. Ste #112**

(No. and Street)

**Wellington**

(City)

**FL**

(State)

**33414**

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**DeMarco Sciacotta Wilkens & Dunleavy, LLP**

(Name - if individual, state last, first, middle name)

**9645 W. Lincolnway Lane, Ste 214A**

(Address)

**Frankfort**

(City)

**IL**

(State)

**60423**

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

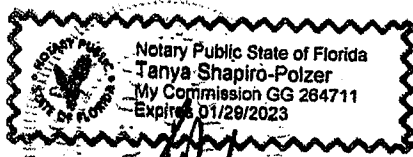
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

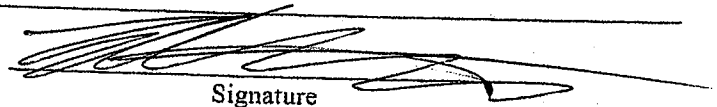
I, Todd Walters

, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Spearhead Capital LLC of September 30, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None



Notary Public

  
Signature

Managing Partner & Co-Founder  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**SPEARHEAD CAPITAL, LLC**

**STATEMENT OF FINANCIAL CONDITION AND  
REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

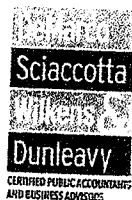
**SEPTEMBER 30, 2020**

**\*\*\*\*\***

# **SPEARHEAD CAPITAL, LLC**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
Spearhead Capital, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Spearhead Capital, LLC, (the "Company") as of September 30, 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Spearhead Capital, LLC as of September 30, 2020 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as Spearhead Capital, LLC's auditor since 2012.

*DeMarco Sciacotta, William J. Dunleavy LLP*

Frankfort, Illinois  
November 23, 2020

**SPEARHEAD CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**SEPTEMBER 30, 2020**

**ASSETS**

Cash	
Accounts receivable	\$ 50,116
Goodwill	34,408
Other assets	30,000
Total Assets	<u>1,719</u>
	<u>\$ 116,243</u>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities:	
Due to related party	
Accounts payable, accrued expenses and other liabilities	\$ 4,901
Total liabilities	<u>11,903</u>
	<u>\$ 16,804</u>
Member's equity	
Total Liabilities and Members' Equity	<u>99,439</u>
	<u>\$ 116,243</u>

The accompanying footnotes are an integral part of this financial statement.

**SPEARHEAD CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS:**

Spearhead Capital, LLC (The “Company”), a limited liability company, was organized in the state of Delaware on December 17, 2008. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company’s principal business activity is the sale of private placements, life insurance and trails. See note 3 for additional information.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Presentation:**

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**Investment Sales and Marketing:**

Fees are earned from investment banking in private placements and providing specialized sales and marketing services to alternative investment managers across a wide spectrum of asset classes.

**Revenue Recognition:**

The Company records fees as they are earned based on services provided. Such fees are recognized at the point in time when the Company’s performance under the terms of the contractual arrangement is completed, which is typically at the closing of the transaction. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company’s progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events, See Statement of Operations for the disaggregation of revenues.

*Commissions.* The Company receives commissions for selling life insurance and variable annuities to its customers. The Company identifies contracts with customers and the performance obligations in those contracts. The Company recognizes revenue upon the completion of the performance obligation, at the transaction price stipulated in each contract.

*Referral Fees.* The Company receives referral fees from financial advisors for referring clients to them. Such fees are recognized at the point in time when the Company’s performance under the terms of the contractual arrangement is completed, which is typically upon receipt of the fees.

*Success Fees.* The Company receives success fees for the private placement of securities. Such fees are recognized at the point in time when the Company’s performance under the terms of the contractual arrangement is completed, which is typically at the closing of the transaction.

**SPEARHEAD CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Accounts Receivable:**

Management closely monitors outstanding accounts receivable and charges off to expense all balances that are determined to be uncollectible. All are deemed collectible at September 30, 2020.

**Promotion Costs:**

The Company expenses promotion costs as incurred.

**Income Taxes:**

The Company is not a taxpaying entity for federal and state income tax purposes. Accordingly, the Company's taxable income and deductions are reported by the members on their income tax returns. Therefore, no provision for federal or state income taxes has been made.

The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as interest/other expense. The Company is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2017.

**Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities, and any disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 - RELATED PARTY TRANSACTIONS:**

During the first three months of the year, the Company rented space from a related entity, through common ownership, Spearhead Innovative Solutions, LLC. The rent charged was \$7,841 for the fiscal year ending September 30, 2020. At September 30, 2020 nothing was payable to the related party as a result of this agreement. Because this is a related entity, operating results could vary significantly from those that would be obtained if this entity was autonomous. See note 7 for additional information.

The Company is the placement agent for Spearhead Insurance Solutions IDF, LLC, a related fund through common ownership. There were no revenues from this arrangement for the fiscal year ending September 30, 2020, and Accounts Receivable from this related party was \$0 at September 30, 2020.

On December 27, 2019 the Company entered into an expense sharing agreement with two related parties, Spearhead Strategic Partners, LLC "SSP" and Spearhead Capital Advisors, LLC "SCA". According to the terms of this agreement, SSP pays the rent and some of the payroll and administrative expenses of the two related parties and is reimbursed for these expenses. The allocated expenses of the Company are included in the Statement of Operations

During the year, \$352,685 of expenses were allocated from SSP to the Company. At September 30, 2020 the Company owed SSP \$4,901 as a result of this agreement.



**SPEARHEAD CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 4 - NET CAPITAL:**

As a broker-dealer, the Company is subject to the SEC's regulations and operating guidelines, which requires the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital, as computed under Rule 15c3-1, was \$33,312 at September 30, 2020, which exceeds required net capital of \$5,000 by \$28,312. The ratio of aggregated indebtedness to net capital at September 30, 2020 was .50 to 1.

**NOTE 5 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:**

On October 1, 2019, The Company adopted ASU 2016-02 *Leases - (Topic 842)*. ASU 2016-02 requires the recognition of lease assets and lease liabilities on the balance sheet related to the rights and obligations created by lease agreements, including those leases classified as operating leases under previous GAAP, along with the disclosure of key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018. The Company has elected not to recognize leases with terms of 12 months or less. This standard has had no impact on the Company's financial position and results of operations.

**NOTE 6 - GOODWILL:**

As of September 30, 2020, the Company has recorded goodwill at \$30,000 in books of accounts. There are no impairment losses for the fiscal year ending September 30, 2020.

**NOTE 7 - OPERATING LEASES:**

On June 1, 2013, the Company entered into a month-to-month operating lease for office space with Spearhead Innovative Solutions IDF, LLC. During the fiscal year ended September 30, 2020, the monthly subleasing expense was approximately \$2,600 per month. Total subleasing expense for the fiscal year ended September 30, 2020 was \$7,841. This agreement was terminated effective December 31, 2019.

**NOTE 8 - CONCENTRATION:**

During the year ended September 30, 2020, there were five customers that represented 24%, 24%, 22%, 12% and 11% of total fees.

**NOTE 9 - MEMBER'S EQUITY:**

As of September 30, 2020, the following balances existed for each class of equity in the member's equity account.

Common Units: Common Units shall have one vote per unit issued and a liquidation preference and registration rights that are pari passu only with other Common Units holders. There are currently 60,000 units outstanding with an agreed upon value of \$ 49,848.

**SPEARHEAD CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 9 – MEBER’S EQUITY (Continued):**

*Preferred Units:* Series A Preferred Units are non-convertible, non-voting units, except with respect to events which adversely alter the terms of the Series A Preferred Units or may otherwise be required pursuant to Delaware Law. Series A Preferred Units shall pay an 8% dividend per annum, based on the Liquidation Amount. The 8% per annum dividend shall accrue and compound each year. As of September 30, 2020, there are 489,278 units outstanding with an agreed upon value of \$1,128,978.

*Preferred Units (Continued):* Series B Preferred Units are non-convertible, non-voting units, except with respect to events which adversely alter the terms of the Series B Preferred Units or may otherwise be required pursuant to Delaware Law. Series B Preferred Units shall pay a 7.5% dividend per annum, based on the Liquidation Amount. The 7.5% per annum dividend shall accrue and compound each year. As of September 30, 2020, there are 35,259 units outstanding with an agreed upon value of \$88,380.

On April 30, 2016, the payment of dividends was suspended. As of September 30, 2020, there are no accrued dividends

**NOTE 10– COMMITMENTS AND CONTINGENCIES:**

The Company had no commitments, no contingent liabilities and had not been named as defendant in any lawsuit at September 30, 2020, or during the year then ended.